

**CAPITAL AREA AGENCY ON AGING -  
DISTRICT II, INC.**

**BATON ROUGE, LOUISIANA**

**JUNE 30, 2014**

**L.A. CHAMPAGNE**   
Certified Public Accountants

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**CAPITAL AREA AGENCY ON AGING-  
DISTRICT II, INC.  
INTRODUCTION AND SUMMARY**  
*June 30, 2014 and 2013*

**INTRODUCTION**

The Agency received federal funds under Department of Health and Human Services entitlements III-B, III C-1, III C-2, III-D, III-E of the Older Americans Act of 2000, as amended, the Nutritional Services Incentive Program (N.S.I.P.), the Community-based Care Transition Program, and the Co-operative Agreement to Support Navigators. Other funds were received from the State of Louisiana under the Louisiana Aging and Disability Resource Center/SenioRx, Nursing Home Transition, Evidence-Based Wellness, and Louisiana Senior Health Insurance Information Program. Funding was also provided by United Way, Entergy's Project Care and Helping Hand programs and other private grantors.

**SUMMARY**

During the periods ended June 30, 2014 and 2013, the Agency received \$4,446,702 and \$4,084,792, respectively, to fund administrative costs and programs serving older citizens. Funding is summarized as follows:

	<u>2014</u>	<u>2013</u>
Governor's Office of Elderly Affairs,		
State of Louisiana	\$ 3,176,560	\$ 3,068,459
U.S. Department of Health and Human Services	244,753	-
Louisiana Department of Health and Hospitals	75,520	62,656
Louisiana Department of Insurance	5,000	10,000
Local Support - Meal Programs	676,097	665,907
Entergy - Project Care/Helping Hands	77,653	76,290
United Way	150,000	164,500
Participant contributions	165	-
Interest income	561	945
Other	40,393	36,035
	<u>\$ 4,446,702</u>	<u>\$ 4,084,792</u>

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Capital Area Agency on Aging - District II, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Capital Area Agency on Aging - District II, Inc., which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of Capital Area Agency on Aging - District II, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information, description of programs pages 18 through 20, the detailed schedule of program activities page 21 and the schedule of changes in fixed assets page 22 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying schedule of expenditures of federal awards on page 23, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2014, on our consideration of Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting and compliance.



Baton Rouge, Louisiana

September 29, 2014

**CAPITAL AREA AGENCY ON AGING -  
DISTRICT II, INC.  
STATEMENTS OF FINANCIAL POSITION**  
*June 30, 2014 and 2013*

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 160,752	\$ 319,720
Receivables on funding contracts	67,497	21,006
Due from subcontractors	189,352	151,260
Prepaid expenses	<u>13,972</u>	<u>12,841</u>
	<u>431,573</u>	<u>504,827</u>
 <b>FIXED ASSETS (NET)</b>	 <u>13,644</u>	 <u>17,567</u>
	 <u><u>\$ 445,217</u></u>	 <u><u>\$ 522,394</u></u>
 <b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 175,868	\$ 166,373
Due to subcontractors	132,409	110,767
Accrued compensated absences	<u>45,723</u>	<u>42,791</u>
	<u>354,000</u>	<u>319,931</u>
 <b>NET ASSETS</b>		
Unrestricted	62,912	47,166
Temporarily restricted	<u>28,305</u>	<u>155,297</u>
	<u>91,217</u>	<u>202,463</u>
	<u><u>\$ 445,217</u></u>	<u><u>\$ 522,394</u></u>

See accompanying notes

# CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.

## STATEMENTS OF ACTIVITIES

*Years ended June 30, 2014 and 2013*

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>						
Governor's Office of Elderly Affairs	\$ -	\$ 3,176,560	3,176,560	\$ -	\$ 3,068,459	3,068,459
Department of Health and Hospitals	-	75,520	75,520	-	62,656	62,656
Department of Insurance	-	5,000	5,000	-	10,000	10,000
Capital Area United Way	-	150,000	150,000	-	164,500	164,500
CMS - Community Based Care Transition	-	167,739	167,739	-	-	-
CMS - Cooperative Agreement to Support Navigators	-	77,014	77,014	-	-	-
Entergy (Project Care/Helping Hands)	-	77,653	77,653	-	76,290	76,290
Local Support - Title IIIC-1/IIIC-2 Meals	-	676,097	676,097	-	665,907	665,907
Participant contributions	-	165	165	-	-	-
Other support and revenues	40,343	50	40,393	36,035	-	36,035
Interest income	561	-	561	945	-	945
	<u>40,904</u>	<u>4,405,798</u>	<u>4,446,702</u>	<u>36,980</u>	<u>4,047,812</u>	<u>4,084,792</u>
Net assets released from restrictions	<u>4,532,790</u>	<u>(4,532,790)</u>	<u>-</u>	<u>4,091,247</u>	<u>(4,091,247)</u>	<u>-</u>
	<u>4,573,694</u>	<u>(126,992)</u>	<u>4,446,702</u>	<u>4,128,227</u>	<u>(43,435)</u>	<u>4,084,792</u>
<b>EXPENSES</b>						
Grants and allocations	1,362,886	-	1,362,886	1,314,838	-	1,314,838
Functional expenses:						
Program services						
Title III-C-1 Congregate Meals	549,988	-	549,988	532,583	-	532,583
Title III-C-2 Home Delivered Meals	1,416,470	-	1,416,470	1,382,459	-	1,382,459
Title III-D Preventive Health	35,379	-	35,379	32,201	-	32,201
Community Living Program	250	-	250	250	-	250
Aging and Disability Resource Center/SenioRx	191,321	-	191,321	188,734	-	188,734
Evidence-Based Wellness	17,327	-	17,327	12,175	-	12,175
LTC Ombudsman	223,848	-	223,848	230,503	-	230,503
DHH Single Point of Entry	800	-	800	800	-	800
CMS - Community Based Care Transition	245,797	-	245,797	7,635	-	7,635
CMS - Cooperative Agreement to Support Navigators	77,638	-	77,638	-	-	-

*Continued....*

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
DHH Nursing Home Transition	55,134	-	55,134	76,060	-	76,060
Medicare Enrollment Assistance Program (MIPPA)	26,459	-	26,459	-	-	-
CMS Research Demonstration & Evaluation (MIPPA)	4,061	-	4,061	516	-	516
DOI - SHIP Outreach	2,553	-	2,553	11,733	-	11,733
Disaster Assistance	162	-	162	13,920	-	13,920
Total program services	2,847,187	-	2,847,187	2,489,569	-	2,489,569
Fundraising	4,460	-	4,460	5,095	-	5,095
Management and general	343,415	-	343,415	376,625	-	376,625
Total functional expenses	3,195,062	-	3,195,062	2,871,289	-	2,871,289
Total expenses	4,557,948	-	4,557,948	4,186,127	-	4,186,127
Change in net assets	15,746	(126,992)	(111,246)	(57,900)	(43,435)	(101,335)
Net assets - beginning of year	47,166	155,297	202,463	105,066	198,732	303,798
Net assets - end of year	<u>\$ 62,912</u>	<u>\$ 28,305</u>	<u>\$ 91,217</u>	<u>\$ 47,166</u>	<u>\$ 155,297</u>	<u>\$ 202,463</u>

See accompanying notes



**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
*Years ended June 30, 2014 and 2013*

FY 2014

	Title III-C-1 - Congregate Meals	Title III-C-2 - Home Delivered Meals	Title III-D - Preventive Health	Community Living Program	Disaster Assistance	CMS Research Demonstratio ns & Evaluations MIPPA	Medicare Enrollment Assistance Program - MIPPA	Aging and Disability Resource Center /SeniorRx	DHH - Single Point of Entry
Catered Meals	\$ 549,988	\$ 1,416,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries	-	-	21,577	-	-	1,981	16,198	127,208	-
Payroll Taxes	-	-	1,711	-	-	161	1,277	10,714	-
Benefits	-	-	1,634	-	-	301	1,499	18,074	-
Travel	-	-	1,851	-	-	-	704	820	-
Advertising	-	-	-	-	-	150	225	2,829	-
Dues and Subscriptions	-	-	-	-	-	-	-	100	-
Equipment Maintenance	-	-	-	-	-	-	-	1,377	-
Postage and Shipping	-	-	-	-	-	-	155	2,576	-
Printing and Publications	-	-	2,158	-	-	-	1,057	4,207	-
Occupancy	-	-	1,528	-	-	-	-	8,874	-
Telephone	-	-	345	-	-	-	-	2,507	-
Software Licensing	-	-	-	-	-	-	-	2,910	-
Equipment rental	-	-	-	-	-	-	-	575	-
Insurance	-	-	100	-	-	-	200	906	-
Office Supplies	-	-	716	-	-	64	32	1,985	-
Conference and Training	-	-	-	-	-	-	-	474	-
Other Contractual Services	-	-	3,259	-	-	888	5,112	3,199	-
Accounting	-	-	500	-	-	-	-	1,500	-
Depreciation	-	-	-	250	-	516	-	486	800
Miscellaneous Expense	-	-	-	-	162	-	-	-	-
Total Functional Expenses	\$ 549,988	\$ 1,416,470	\$ 35,379	\$ 250	\$ 162	\$ 4,061	\$ 26,459	\$ 191,321	\$ 800

FY 2013

	Title III-C-1 Congregate Meals	Title III-C-2 Home Delivered Meals	Title III-D Preventive Health	Community Living Program	Disaster Assistance	Medicare Enrollment Assistance Program - MIPPA	CMS Research Demonstratio ns & Evaluations MIPPA	Aging and Disability Resource Center /SeniorRx	Elderly Protective Services
Catered meals	\$ 532,583	\$ 1,382,459	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disaster Assistance	-	-	-	-	13,920	-	-	-	-
Salaries	-	-	17,017	-	-	-	-	123,809	-
Payroll taxes	-	-	1,338	-	-	-	-	11,038	-
Benefits	-	-	1,335	-	-	-	-	19,174	-
Travel	-	-	3,612	-	-	-	-	1,375	-
Advertising	-	-	-	-	-	-	-	2,463	-
Dues and subscriptions	-	-	-	-	-	-	-	75	-
Equipment maintenance	-	-	-	-	-	-	-	1,333	-
Equipment rental	-	-	124	-	-	-	-	1,455	-
Postage and shipping	-	-	-	-	-	-	-	2,254	-
Printing and publications	-	-	125	-	-	-	-	541	-
Occupancy	-	-	1,528	-	-	-	-	9,478	-
Telephone	-	-	434	-	-	-	-	4,474	-
Software licensing	-	-	-	-	-	-	-	3,452	-
Insurance	-	-	200	-	-	-	-	1,166	-
Office supplies	-	-	652	-	-	-	-	1,416	-
Conference and training	-	-	1,000	-	-	-	-	195	-
Other contractual services	-	-	4,336	-	-	-	-	1,774	-
Accounting	-	-	500	-	-	-	-	1,500	-
Depreciation	-	-	-	250	-	-	516	1,722	-
Miscellaneous expense	-	-	-	-	-	-	-	40	-
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-
	\$ 532,583	\$ 1,382,459	\$ 32,201	\$ 250	\$ 13,920	\$ -	\$ 516	\$ 188,734	\$ -

See accompanying notes

Evidence-Based Wellness	Long Term Care Ombudsman Program	DOI-SHIP Outreach	Nursing Home Transition	Community Based Care Transitions Program	CMS - Navigator	Total Program Services	Fundraising	Management and General	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,966,458	\$ -	\$ -	1,966,458
8,253	142,358	1,657	35,401	171,214	47,495	573,342	-	223,226	796,568
761	12,039	133	2,956	14,527	4,430	48,709	-	18,602	67,311
934	31,634	193	2,731	21,993	10,192	89,185	-	20,345	109,530
575	20,610	-	2,316	13,811	5,417	46,104	-	9,930	56,034
-	-	353	-	364	-	3,921	-	168	4,089
-	-	-	-	-	-	100	-	1,272	1,372
-	110	-	688	-	-	2,175	-	672	2,847
-	6	-	493	419	797	4,446	-	1,672	6,118
1,577	250	217	500	189	94	10,249	-	1,031	11,280
3,088	6,836	-	3,214	3,600	4,400	31,540	-	31,620	63,160
389	3,488	-	1,140	2,935	1,862	12,666	-	4,790	17,456
-	206	-	679	7,215	30	11,040	-	5,404	16,444
101	151	-	693	867	1,073	3,460	-	458	3,918
214	1,389	-	1,830	1,310	-	5,949	-	1,755	7,704
446	376	-	72	1,740	1,186	6,617	-	4,423	11,040
82	25	-	-	-	-	581	-	2,346	2,927
663	1,131	-	421	2,063	662	17,398	-	4,105	21,503
244	2,500	-	2,000	3,550	-	10,294	-	5,006	15,300
-	739	-	-	-	-	2,791	-	1,131	3,922
-	-	-	-	-	-	162	4,460	5,459	10,081
\$ 17,327	\$ 223,848	\$ 2,553	\$ 55,134	\$ 245,797	\$ 77,638	\$ 2,847,187	\$ 4,460	\$ 343,415	\$ 3,195,062

DHH Single Point of Entry (SPOE)	Evidence-Based Wellness	Long Term Care Ombudsman	Dept of Insurance SHIP Outreach	DHH Nursing Home Transition	CMS Care Transition	Total Program Services	Fundraising	Management and General	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,915,042	\$ -	\$ -	1,915,042
-	-	-	-	-	-	13,920	-	-	13,920
-	3,842	148,648	5,000	50,730	6,221	355,267	-	250,722	605,989
-	425	12,258	462	4,406	651	30,578	-	20,456	51,034
-	413	31,478	164	3,353	63	55,980	-	24,905	80,885
-	749	21,419	-	2,662	224	30,041	-	10,057	40,098
-	-	-	1,000	-	356	3,819	-	339	4,158
-	-	-	-	-	-	75	-	925	1,000
-	-	113	-	574	-	2,020	-	511	2,531
-	200	311	300	672	-	3,062	-	684	3,746
-	-	101	1,000	1,371	-	4,726	-	1,627	6,353
-	519	-	336	69	-	1,590	-	141	1,731
-	3,967	6,836	1,985	6,336	-	30,130	-	31,719	61,849
-	850	3,926	699	1,649	-	12,032	-	5,671	17,703
-	-	207	-	222	-	3,881	-	4,746	8,627
-	250	1,669	200	1,462	-	4,947	-	2,439	7,386
-	128	410	337	-	-	2,943	-	2,154	5,097
-	-	-	-	-	-	1,195	-	2,396	3,591
-	588	888	-	554	120	8,260	-	4,155	12,415
-	244	1,500	250	2,000	-	5,994	-	7,006	13,000
800	-	739	-	-	-	4,027	-	1,424	5,451
-	-	-	-	-	-	40	5,095	4,531	9,666
-	-	-	-	-	-	-	-	17	17
\$ 800	\$ 12,175	\$ 230,503	\$ 11,733	\$ 76,060	\$ 7,635	\$ 2,489,569	\$ 5,095	\$ 376,625	\$ 2,871,289

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**  
**STATEMENTS OF CASH FLOWS**

*Years ended June 30, 2014 and 2013*

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (111,246)	\$ (101,335)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		-
Depreciation and amortization	3,922	5,451
Loss on disposition of fixed assets	-	17
Decrease (increase) in:		
Receivables on funding contracts	(46,491)	40,896
Receivables from subcontractors	(38,092)	49,440
Prepaid expenses	(1,131)	3,177
Increase (decrease) in:		
Accounts payable and accrued expenses	9,495	(5,652)
Payables to subcontractors	21,643	(48,666)
Accrued compensated absences	2,932	2,173
Net cash used in operating activities	<u>(158,968)</u>	<u>(54,499)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>NET DECREASE IN CASH</b>	(158,968)	(54,499)
Cash - beginning of year	319,720	374,219
Cash - end of year	<u>\$ 160,752</u>	<u>\$ 319,720</u>

*See accompanying notes*

**CAPITAL AREA AGENCY ON AGING-  
DISTRICT II, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2014*

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of activities and reporting entity*

Capital Area Agency on Aging-District II, Inc. (the Agency) is a non-profit entity incorporated in 1974 to ensure the availability of supportive, nutrition, and volunteer services to people aged 60 and older in the ten parishes surrounding the Baton Rouge capital area. It also serves as an advocate and provides leadership on behalf of the elderly. The Agency coordinates funding to the parish councils on aging and monitors their providing of services to older citizens.

*Basis of accounting*

The Organization prepares its financial statements on the accrual basis of accounting. Under this method of accounting, revenue is recognized when earned or billed, and expenses are recognized when goods or services are received and the obligation for payment is incurred.

*Basis of presentation*

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-205, the Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are resources that are free of donor-imposed or time restrictions and are available at the direction of the governing board. Temporarily restricted net assets are resources that are limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. Permanently restricted net assets are those resources whose use by the organization is limited to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization. At present, the Agency does not have any permanently restricted net assets.

*Use of estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### *Revenue and expense recognition*

Contributions, grants and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Agency reports grants and gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When donor restrictions expire, that is, when the stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions. Expenses are recorded when incurred, in accordance with the accrual basis of accounting.

### *Fixed assets and depreciation*

Fixed assets are carried at cost less accumulated depreciation. The assets are depreciated for financial reporting purposes using the straight-line method over estimated useful lives of five to ten years.

### *Donated services*

No amounts have been reflected in the financial statements for donated services. The Agency pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Agency with its various program activities.

### *Cash*

For the purpose of the statement of cash flows, the Agency considers all short-term savings to be cash.

Under the requirements of its grant funding from the State of Louisiana, the Agency must collateralize cash balances held in financial institutions that are in excess of federal deposit insurance. Such deposits are collateralized under a security pledge arrangement with the financial institution which meets the requirements of state law.

### *Prepaid expenses*

The cost of insurance and other services for which benefits extend over more than one accounting period have been recorded as prepaid and are expensed in the period to which they apply.

### *Functional allocation of expenses*

The cost of providing various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs are charged specifically to a program or function and the remaining costs are allocated among programs, management and general and fundraising based upon management's estimates.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Budget policy*

Budgets for the various programs are prepared by the Agency's Executive Director and approved by the Agency's Board of Directors and program grantors. Appropriations from the Governor's Office of Elderly Affairs under Federal Title III lapse at year end. Title IV and other federal appropriations lapse at the federal fiscal year end. Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

The Agency may transfer funds between budgetary line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs with respect to funds received under contracts from that agency.

*Receivables and bad debts*

Management believes that receivables are collectible in full, and no allowance for bad debts has been provided in the financial statements.

*Annual and sick leave*

Employees of the Agency are entitled to paid vacation, depending on the length of service. The Agency has recorded a liability for the unused vacation attributable to all eligible employees at the employee's current rate of pay. Because accrued sick leave lapses upon termination, no amount has been accrued.

*Advertising costs*

The Agency expenses advertising costs as incurred.

*Income tax status*

The Agency, a nonprofit corporation, is exempt from federal income taxes under section 501(C)(3) of the Internal Revenue Code.

Capital Area Agency on Aging, District II applies the standards in FASB ASC 740-10 in accounting for uncertainty in income taxes. Capital Area Agency on Aging, District II files a United States return of organization exempt from income tax. The Agency's returns for 2010, 2011, 2012, and 2013 are subject to examination by the Internal Revenue Service.

**B: RECEIVABLES ON FUNDING CONTRACTS**

Receivables on funding contracts at June 30, 2014 and 2013, consist of the following:

	2014	2013
Governor's Office of Elderly Affairs:		
Title III-D Disease Prevention Services	\$ 4,149	\$ -
Title III-B Ombudsman	-	4,918
Medicare Enrollment Assistance Program	5,879	-
CMS Research Demonstration and Evaluation	1,060	-
Department of Health and Hospitals:		
Nursing Home Transition	5,460	16,088
U.S. Department of Health and Human Services:		
Cooperative Agreement to Support Navigators	3,109	-
Community Based Care Transitions	47,840	-
	\$ <u>67,497</u>	\$ <u>21,006</u>

**C: FIXED ASSETS**

The following is a summary of fixed assets at cost, less accumulated depreciation:

	2014	2013
Computer and related equipment	\$ 16,095	\$ 29,604
Office equipment	31,613	31,613
Furniture and fixtures	3,421	3,421
	<u>51,129</u>	<u>64,638</u>
Less accumulated depreciation	(37,485)	(47,071)
	\$ <u>13,644</u>	\$ <u>17,567</u>

Depreciation expense for 2014 and 2013 was \$3,922 and \$5,451, respectively.

**D: BOARD OF DIRECTORS' COMPENSATION**

Service on the Board of Directors is voluntary and, therefore, members are not compensated in the form of per diem. Members of the Board are reimbursed for travel expenses. These reimbursements amounted to \$1,091 in 2014 and \$1,468 in 2013.

## **E: PENSION AND DEFERRED COMPENSATION PLANS**

The agency administers a defined contribution pension plan covering all employees with one year or more of service. Employer contributions amounting to 5% of an employee's salary are made annually and benefits are fully and immediately vested. Pension expense of \$33,426 and \$28,013 including administrative charges, is reported in fringe benefits for 2014 and 2013, respectively. Plan benefits are funded through group annuity contracts that were valued at \$298,810 as of December 31, 2013.

The Agency maintains a voluntary salary reduction tax deferred compensation plan for employees electing to participate. The Agency does not make any contributions to this plan administered by Mutual of America.

## **F: LEASE COMMITMENTS**

The Agency is currently obligated under an operating lease agreement for its area office located in Baton Rouge, Louisiana.

Effective January 21, 2011, the Agency entered into a long-term lease arrangement expiring February 28, 2015, with monthly rentals starting at \$7,043 per month and increasing annually during the lease term. On November 1, 2011, the lease agreement changed due to reduction in rental area. The new monthly rentals start at \$5,100 per month and increase annually during the lease term. Future minimum lease payments for the area office are as follows:

<u>Year Ended</u>	<u>Amount</u>
06/30/15	\$ <u><u>31,911</u></u>

Lease expense was \$63,160 and \$61,849 for the years ended 2014 and 2013, respectively.

## **G: INTER-PROGRAM TRANSFERS**

Transfers in and out are listed by program type for the year ended June 30, 2014:

<u>Transfers In For:</u>	<u>Transfers Out From:</u>						
	<u>United Way</u>	<u>N.S.I.P.</u>	<u>SHIP</u>	<u>LTC</u>	<u>Care Transitions</u>	<u>Other Restricted</u>	<u>Total Transfers In</u>
Area Agency Administration	\$ 61,535	\$ -	\$ -	\$ 15,451	\$ 38,651	\$ 17,017	\$ 132,654
Title III C-1	-	128,773	-	-	-	-	128,773
Title III C-2	81,746	290,532	-	-	-	-	372,278
General Fund	-	-	2,448	-	-	5,094	7,542
Total Transfers Out	\$ <u>143,281</u>	\$ <u>419,305</u>	\$ <u>2,448</u>	\$ <u>15,451</u>	\$ <u>38,651</u>	\$ <u>22,111</u>	\$ <u>641,247</u>



## **H: ECONOMIC DEPENDENCY**

The Agency receives the majority of its revenue from grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and Louisiana state governments. If significant budget cuts are made at the federal and/or state level, the Agency's funding could be reduced significantly and have an adverse impact on its operations. However, management is not aware of any actions by Agency funding sources that will adversely affect operations in the next fiscal year.

The Agency receives support from a number of sources. Significant among those are the following, reflecting their percent of total revenues provided in 2014 and 2013:

	2014	2013
Governor's Office of Elderly Affairs	71%	75%
Local Support - Title IIIC-1/IIIC-2 Meals	15%	16%
Department of Health and Human Services	6%	0%

## **I: FEDERALLY ASSISTED AND OTHER GOVERNMENT PROGRAMS**

Federal and state assistance programs represent an important source of funding for the Agency. The federal programs are audited annually in accordance with the "Single Audit Act". Other programmatic audits may be conducted by grantor agencies. Prior audits have not resulted in any significant disallowed costs. However, grantor agencies may conduct or require additional examinations which could result in the cancellation of grants or contracts, the disallowance of costs charged to the grant or require the repayment of any questioned costs identified, and such repayments may be material to the financial statements.

## **J: SUBCONTRACTOR AUDITS**

All Council on Aging subcontractors and certain other entities receiving funding from the Agency are responsible for having an independent audit performed in accordance with government auditing standards and, additionally, in accordance with the "Single Audit Act" if federal expenditures exceed specified thresholds.

## **K: NET ASSETS**

Temporarily restricted net assets consist of funds designated by donors or grantors for specific purposes or programs and total \$28,305 and \$155,297 at June 30, 2014 and 2013, respectively.

**K: NET ASSETS (Continued)**

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

	<u>2014</u>	<u>2013</u>
Purpose restriction accomplished:		
Area Agency Administration	\$ 199,458	\$ 190,675
Title IIIB Supportive Services	621,289	585,715
Title IIIC Congregate and Home Delivered Meals	1,920,193	1,868,584
Title IIID Preventive Health	35,377	35,201
Title IIIE Caregiver Support	197,599	182,876
Single Point of Entry program	800	800
Long Term Care program	239,300	240,180
SenioRx / ADRC program	191,320	192,247
Senior Health Insurance program	5,000	13,038
Nutritional Services Incentive program	419,305	410,634
Community Living program	250	250
Disaster H-Isaac Assistance	162	14,250
Evidence-Based Wellness	8,921	13,516
Medicare Enrollment Assistance	26,975	-
CMS Research Demonstration and Evaluations	3,545	516
Entergy (Project Care/Helping Hands)	77,639	76,290
Capital Area United Way	150,000	184,847
Nursing Home Transistion	65,472	75,236
Community based Care Transition	284,449	-
Cooperative Agreement to Support Navigators	77,638	-
Other programs	8,098	6,392
Total restrictions released	\$ <u>4,532,790</u>	\$ <u>4,091,247</u>

**L: CONCENTRATIONS OF CREDIT RISK**

Capital Area Agency on Aging, District II, maintains deposits in a local financial institution with balances at times that may exceed the \$250,000 federal insurance provided by the Federal Deposit Insurance Corporation.

**M: NON CASH INVESTING AND FINANCING ACTIVITIES**

There were no non cash investing and financing activities in fiscal 2014 and 2013.

**N: SUBSEQUENT EVENTS**

Subsequent events were evaluated through September 29, 2014, which is the date the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**

## DESCRIPTION OF PROGRAMS

### *Title III C-1 Area Agency Administration (AAA)*

The Title III C-1 Area Agency Administration (AAA) Program accounts for the administration of the services provided to the elderly. Title III C-1 AAA funds are provided by the U.S. Department of Health and Human Services through the Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging. These funds are used to pay the costs of administering programs.

### *Title III-B Program*

The Title III-B Program is used to account for the support services, which include access services, in-home services, community services, and transportation for the elderly. Title III-B funds are provided by the U. S. Department of Health and Human Services through the Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging, which "passes through" the funds to the various service providers.

### *Title III C-1 Program*

The Title III C-1 Program accounts for the revenues and expenditures of federal and state grants for congregate meals for the elderly in strategically located centers. These funds are provided in the same manner as Title III-B above.

### *Title III C-2 Program*

Title III C-2 funds are used to provide nutritional meals to home-bound older persons. These funds are provided in the same manner as Title III-B above.

### *Title III-D Program*

The Title III-D Program accounts for funds used to provide disease prevention and health promotion services. This includes wellness activities and medication management services. These funds are provided in the same manner as Title III-B above. A portion of the medication management services is provided directly by the Agency through medication management seminars.

### *Title III-E Program*

The Title III-E Program accounts for funds which are used to provide various caregiver support services. These include public education, information and assistance; support groups, in-home respite care; material aid; personal care services and sitter services. These funds are provided in the same manner as Title III-B above.

### *Regional Office of LA Aging and Disability Resource Center (ADRC) and SenioRx*

The Agency is designated by the Governor's Office of Elderly Affairs as the Aging and Disability Resource Center (ADRC) for a 13-parish area. The ADRC offers a "one-stop-shop" for public and private programs at the community level that will help individuals who are 60 years and older and individuals with adult onset disabilities. This program helps consumers find the answers and information needed to improve their health, independence and quality of life. The Louisiana Senior Prescription Drug Program, operating through the ADRC, links qualified low-income and disabled adults to free or discounted drugs directly from the pharmaceutical manufacturer.

### ***N.S.I.P. Program***

The Nutritional Services Incentive Program (N.S.I.P.) administered by the U.S. Department of Health and Human Service is used to account for the administration of Food Distribution Program funds, through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging. This program reimburses the area agencies on a per unit basis for each congregate and home delivered meal served to an eligible participant so that U.S. food and commodities may be purchased to supplement these programs.

### ***United Way Program***

The United Way Program is used to account for funds received from the Capital Area and other United Way organizations to supplement administrative costs, the home delivered meals program and a Personal Care Program.

### ***Utility Assistance Program***

The Utility Assistance Program is used to account for the administration of programs sponsored by local utility companies who collect contributions from service customers and employees. These contributions and the utility companies' corporate donations are remitted to the Agency which "passes through" the funds to the various councils to provide assistance to the elderly with emergencies in the payment of energy costs.

### ***Medicare Enrollment Assistance Program***

The Medicare Enrollment Assistance Program is used to provide outreach to eligible Medicare beneficiaries regarding the benefits available under federal and state programs for older Americans. This program is also used to conduct research, demonstrations, and evaluations for high-quality health care at a reasonable cost. The program will focus on expanding agency efforts to improve the efficiency of payment, delivery, access and quality of our health care programs.

### ***Evidence-Based Wellness***

The Evidence-Based Wellness Program provides funding to support deployment of evidence-based chronic disease self-management programs targeted at older adults with chronic conditions to maintain and improve their health status.

### ***Title III B, Long Term Care Ombudsman Services***

The Title III B, Long Term Care Ombudsman provides funding to design and implement programs for the provision of long-term care ombudsman services for individuals living in long-term care facilities.

### ***Title IV and II Discretionary Projects – Disaster H-Isaac Relief Assistance***

The Disaster H-Isaac Relief Assistance provides funding to elderly citizens experiencing losses from Hurricane Isaac for home repairs, appliance replacement, and debris removal.

### ***Community-based Care Transition Program***

The Community-based Care Transition Program is used to assist Medicare fee-for-services beneficiaries, recently discharged from the hospital, in order to prevent an avoidable readmission within the first thirty days following discharge.

*Cooperative Agreement to Support Navigators*

The Cooperative Agreement to Support Navigators, a program funded by the Federal Centers for Medicare and Medicaid Services (CMS), is used to assist consumers who are attempting to enroll in a health care insurance policy through the federally-operated Marketplace.

*Other Programs*

Other grants and contributions may be used to support various programs as the need arises.

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**  
**DETAILED SCHEDULE OF PROGRAM ACTIVITIES**  
For the year ended June 30, 2014

	UNRESTRICTED						TEMPORARILY RESTRICTED			
	LOCAL	TITLE III C-1 AAA	TITLE III-B	TITLE III C-1	TITLE III C-2	TITLE III-D	TITLE III-E	Aging and Disability Resource Center/SeniorRx	LTC Ombudsman	MIPPA Priority 2 AAA
<b>SUPPORT AND REVENUE</b>										
Governmental:										
Federal grants passed through										
Governor's Office of Elderly Affairs	\$ -	\$ 151,043	\$ 414,330	\$ 390,559	\$ 279,031	\$ 34,853	\$ 148,199	\$ -	\$ 194,652	\$ 3,545
Department of Health and Hospitals	-	-	-	-	-	-	-	-	-	-
Department of Insurance	-	-	-	-	-	-	-	-	-	-
Centers for Medicare and Medicaid Services	-	-	-	-	-	-	-	-	-	-
State of Louisiana	-	-	-	-	-	-	-	-	-	-
Governor's Office of Elderly Affairs	-	50,348	206,959	156,121	418,385	-	49,400	192,247	45,528	-
Other:										
Entergy - Project Care	-	-	-	-	-	-	-	-	-	-
Helping Hands	-	-	-	-	-	-	-	-	-	-
Capital Area United Way	-	-	-	-	-	-	-	-	-	-
Interest	561	-	-	-	-	-	-	-	-	-
Annual fund raisers	13,670	-	-	-	-	-	-	-	-	-
Local support - meal programs	8,800	-	-	102,573	573,524	-	-	-	-	-
Other	2,697	-	-	-	-	-	165	-	-	-
	<u>25,528</u>	<u>201,391</u>	<u>621,289</u>	<u>649,253</u>	<u>1,270,940</u>	<u>34,853</u>	<u>197,764</u>	<u>192,247</u>	<u>240,180</u>	<u>3,545</u>
<b>EXPENSES</b>										
Administration:										
Salaries	-	225,160	-	-	-	21,052	-	128,821	143,977	1,981
Payroll tax and fringe benefits	-	38,946	-	-	-	3,345	-	28,788	43,673	462
Travel	11	9,919	-	-	-	1,851	-	820	20,610	-
Operating services	1,560	47,283	-	-	-	4,130	-	26,860	12,437	150
Operating supplies	1,408	3,015	-	-	-	716	-	1,985	376	64
Professional services	50	7,376	-	-	-	702	-	4,699	3,631	-
Other costs	9,491	2,346	-	-	-	3,057	-	474	25	888
Capital Outlay	-	-	-	-	-	-	-	-	-	-
	<u>12,520</u>	<u>334,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,853</u>	<u>-</u>	<u>192,247</u>	<u>224,729</u>	<u>3,545</u>
<b>CATERED MEALS - MEALS PROGRAM</b>										
Raw food	-	-	-	246,428	568,112	-	-	-	-	-
Labor and non-edibles	-	-	-	303,560	848,358	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>549,988</u>	<u>1,416,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Contracted social services:</b>										
Alzheimer's Services of Capital Area	-	-	-	-	-	-	16,528	-	-	-
Ascension Council on Aging, Inc.	-	-	66,695	19,641	16,595	-	4,500	-	-	-
Assumption Council on Aging, Inc.	-	-	50,116	24,366	11,620	-	2,850	-	-	-
E. Feliciana Council on Aging, Inc.	-	-	53,438	17,722	34,713	-	-	-	-	-
Gulf Coast Family Teaching, Inc.	-	-	312	-	-	-	146,251	-	-	-
Iberville Council on Aging, Inc.	-	-	64,632	29,109	20,956	-	900	-	-	-
Pointe Coupee Council on Aging, Inc.	-	-	61,613	39,455	3,270	-	4,269	-	-	-
St. Helena Council on Aging, Inc.	-	-	32,071	9,795	24,196	-	500	-	-	-
Southeast La. Legal Services Corp.	-	-	24,034	-	-	-	-	-	-	-
Tangipahoa Council on Aging, Inc.	-	-	126,366	53,700	51,415	-	1,050	-	-	-
Total Logistical Care, LLC	-	-	65	-	-	-	-	-	-	-
Washington Council on Aging, Inc.	-	-	84,333	14,550	44,911	-	20,016	-	-	-
W. B. R. Council on Aging, Inc.	-	-	37,353	10,810	4,422	-	900	-	-	-
W. Feliciana Council on Aging, Inc.	-	-	20,261	8,890	14,650	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>621,289</u>	<u>228,038</u>	<u>226,748</u>	<u>-</u>	<u>197,764</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>12,520</u>	<u>334,045</u>	<u>621,289</u>	<u>778,026</u>	<u>1,643,218</u>	<u>34,853</u>	<u>197,764</u>	<u>192,247</u>	<u>224,729</u>	<u>3,545</u>
Change in net assets before interfund transfers	13,008	(132,654)	-	(128,773)	(372,278)	-	-	-	15,451	-
<b>OTHER FINANCING SOURCES (USES):</b>										
Operating transfers in	7,542	132,654	-	128,773	372,278	-	-	-	-	-
Operating transfers out	(11,775)	-	-	-	-	-	-	-	(15,451)	-
	<u>(4,233)</u>	<u>132,654</u>	<u>-</u>	<u>128,773</u>	<u>372,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,451)</u>	<u>-</u>
Change in net assets	8,775	-	-	-	-	-	-	-	-	-
<b>NET ASSETS</b>										
Beginning of year	16,832	-	-	-	-	-	-	-	-	-
End of year	<u>\$ 25,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Note:** Per instructions from OEA this schedule is prepared without consideration of compensated absences and reports capital outlay in lieu of depreciation expense



MIPPA Priority 3 ADRC	Evidence-Based Wellness	ARRA Disaster Assistance Program	DHH Nursing Home Transition	NSIP	AUDIT	DOI - SHIP OUTREACH	UNITED WAY	UTILITY Assistance	CMS Care Transitions	CMS Navigator	OTHER	TOTAL
\$ 26,459	\$ -	\$ -	\$ -	\$ 408,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,051,200
-	10,000	-	65,520	-	-	-	-	-	-	-	-	75,520
-	-	-	-	-	-	5,000	-	-	-	-	-	5,000
-	-	-	-	-	-	-	-	-	167,739	77,014	-	244,753
-	-	-	-	-	6,372	-	-	-	-	-	-	1,125,360
-	-	-	-	-	-	-	-	38,259	-	-	-	38,259
-	-	-	-	-	-	-	-	39,394	-	-	-	39,394
-	-	-	-	-	-	-	150,000	-	-	-	-	150,000
-	-	-	-	-	-	-	-	-	-	-	-	561
-	-	-	-	-	-	-	-	-	-	-	-	13,670
-	-	-	-	-	-	-	-	-	-	-	-	684,697
-	15,376	-	-	-	-	-	-	-	-	-	50	18,288
26,459	25,376	-	65,520	408,529	6,372	5,000	150,000	77,653	167,739	77,014	50	4,446,702
16,198	9,332	-	35,449	-	-	1,657	-	-	163,481	46,728	-	793,636
2,776	1,696	-	5,687	-	-	326	-	-	36,520	14,622	-	176,841
704	575	-	2,316	-	-	-	-	-	13,811	5,417	-	56,034
1,637	5,369	-	9,238	-	-	569	-	-	16,899	8,256	-	134,388
32	446	-	72	-	-	-	-	-	1,740	1,186	-	11,040
-	330	-	2,422	-	1,683	-	-	-	5,168	496	-	26,557
5,112	658	162	-	-	-	-	-	-	445	166	430	23,254
-	-	-	-	-	-	-	-	-	-	-	-	-
26,459	18,406	162	55,184	-	1,683	2,552	-	-	238,064	76,871	430	1,221,750
-	-	-	-	-	-	-	-	-	-	-	-	814,540
-	-	-	-	-	-	-	-	-	-	-	-	1,151,918
-	-	-	-	-	-	-	-	-	-	-	-	1,966,458
-	-	-	-	-	-	-	-	-	-	-	-	16,528
-	-	-	-	-	580	-	-	28,342	-	-	-	136,353
-	-	-	-	-	320	-	-	7,713	-	-	-	96,985
-	-	-	-	-	361	-	-	2,639	-	-	-	108,873
-	-	-	-	-	-	-	-	-	-	-	-	146,563
-	-	-	-	-	471	-	-	9,964	-	-	-	126,032
-	-	-	-	-	435	-	6,719	3,653	-	-	-	119,414
-	-	-	-	-	267	-	-	1,423	-	-	-	68,252
-	-	-	-	-	-	-	-	-	-	-	-	24,034
-	-	-	-	-	1,109	-	-	17,516	-	-	-	251,156
-	-	-	-	-	-	-	-	-	-	-	-	65
-	-	-	-	-	705	-	-	-	-	-	-	164,515
-	-	-	-	-	216	-	-	5,567	-	-	-	59,268
-	-	-	-	-	225	-	-	822	-	-	-	44,848
-	-	-	-	-	4,689	-	6,719	77,639	-	-	-	1,362,886
26,459	18,406	162	55,184	-	6,372	2,552	6,719	77,639	238,064	76,871	430	4,551,094
-	6,970	(162)	10,336	408,529	-	2,448	143,281	14	(70,325)	143	(380)	(104,392)
-	-	-	-	-	-	-	-	-	-	-	-	641,247
-	-	-	(10,336)	(419,305)	-	(2,448)	(143,281)	-	(38,651)	-	-	(641,247)
-	-	-	(10,336)	(419,305)	-	(2,448)	(143,281)	-	(38,651)	-	-	-
-	6,970	(162)	-	(10,776)	-	-	-	14	(108,976)	143	(380)	(104,392)
-	2,184	162	-	183,990	-	-	-	-	(7,635)	-	32,156	227,689
\$ -	\$ 9,154	\$ -	\$ -	\$ 173,214	\$ -	\$ -	\$ -	\$ 14	\$ (116,611)	\$ 143	\$ 31,776	\$ 123,297

**CAPITAL AREA AGENCY ON AGING -  
DISTRICT II, INC.  
SCHEDULE OF CHANGES IN FIXED ASSETS**  
*June 30, 2014*

	Balance June 30, 2013	Reclassifications	Additions	Deletions	Balance June 30, 2014
<b>FIXED ASSETS</b>					
Computer and related equipment	\$ 29,604	\$ -	\$ -	\$ 13,509	\$ 16,095
Office equipment	31,613	-	-	-	31,613
Furniture and fixtures	3,421	-	-	-	3,421
<b>TOTAL FIXED ASSETS</b>	<u>\$ 64,638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,509</u>	<u>\$ 51,129</u>
 <b>INVESTMENT IN FIXED ASSETS</b>					
Title III C-1 Area Agency Administration	\$ 3,421	\$ -	\$ -	\$ -	\$ 3,421
Louisiana ADRC/SenioRx	6,876	-	-	-	6,876
Title IV - Aging and Disability Resource Center	20,848	-	-	11,073	9,775
DHH Single Point of Entry (SPOE)	8,001	-	-	-	8,001
Community Living Program	2,500	-	-	-	2,500
Medicare Enrollment Assistance Program	2,581	-	-	-	2,581
Title III - LTC Ombudsman	3,697	-	-	-	3,697
Local	16,714	-	-	2,436	14,278
<b>TOTAL INVESTMENT IN FIXED ASSETS</b>	<u>\$ 64,638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,509</u>	<u>\$ 51,129</u>

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*Year ended June 30, 2014*

FEDERAL GRANTOR/PASS THROUGH GRANTORS/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	REVENUE RECOGNIZED	TOTAL FEDERAL EXPENDITURES	TOTAL AMOUNT PROVIDED TO SUBRECIPIENTS
<u>U.S. Department of Health and Human Services</u>						
Center for Medicare and Medicaid Services Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Exchanges	93.750	75130509	\$ 100,000	\$ 77,014	\$ 77,014	\$ -
Passed Through the Louisiana Governor's Office Of Elderly Affairs:						
Special Programs for the Aging: Title III, Part B Supportive Services	93.044	720220	414,330	414,330	414,330	414,330
Title III, Part C-Area Agency Administration	93.045	720220	151,043	151,043	151,043	-
Title III, Part C-1 Nutritional Services Congregate Meals	93.045	720220	390,559	390,559	390,559	211,165
Title III, Part C-2 Nutritional Services Home Delivered Meals	93.045	720220	279,031	279,031	279,031	79,893
Total Title III, Part C	93.045		820,633	820,633	820,633	
Nutritional Services Incentive Program	93.053	720102	408,529	408,529	419,305	-
Total Cluster			1,643,492	1,643,492	1,654,268	-
Title III, Part B Ombudsman Long-Term Care Services	93.042	721581	194,652	194,652	194,652	-
Title III, Part D Disease Prevention and Health Promotion Services	93.043	720220	34,853	34,853	34,853	-
Title III, Part E Caregiver Support	93.052	720220	148,199	148,199	148,199	148,199
Medicare Enrollment Assistance Program (MIPPA)	93.071	726094	33,884	30,004	30,520	-
Passed Through the Louisiana Department of Health and Hospitals:						
Center for Medicare and Medicaid Services	93.791	720422	65,520	65,520	65,520	-
Centers for Disease Prevention and Control	93.945	726332	10,000	10,000	10,000	-
Passed Through the Louisiana Department of Insurance:						
Center for Medicare and Medicaid Services	93.779	725542	5,000	5,000	5,000	-
			\$ 2,235,600	\$ 2,208,734	\$ 2,220,026	

*Note A. Schedule prepared using accrual basis of accounting.*

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors  
Capital Area Agency on Aging - District II, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Capital Area Agency on Aging – District II, Inc., which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Capital Area Agency on Aging - District II, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of Capital Area Agency on Aging - District II, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Capital Area Agency on Aging - District II, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script, reading "L. A. Chapeigne".

*Baton Rouge, Louisiana*  
*September 29, 2014*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

The Board of Directors  
Capital Area Agency on Aging - District II, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited Capital Area Agency on Aging - District II, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Capital Area Agency on Aging - District II's major federal programs for the year ended June 30, 2014. Capital Area Agency on Aging - District II, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Capital Area Agency on Aging - District II, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above, that could have a direct and material effect on a major federal program, occurred. An audit includes examining, on a test basis, evidence about Capital Area Agency on Aging - District II, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Capital Area Agency on Aging - District II, Inc.'s compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Capital Area Agency on Aging - District II, Inc. complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## **Report on Internal Control over Compliance**

Management of Capital Area Agency on Aging - District II, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Capital Area Agency on Aging - District II, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Capital Area Agency on Aging - District II, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana R. S. 24:513, this report is distributed by the Legislative Auditor as a public document.

  
Baton Rouge, Louisiana  
September 29, 2014

**CAPITAL AREA AGENCY ON AGING- DISTRICT II, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*Year Ended June 30, 2014*

**A: SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of Capital Area Agency on Aging - District II, Inc.
2. No significant deficiencies in internal controls relating to the audit of the financial statements are reported in the "Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*."
3. No instances of noncompliance material to the financial statements of Capital Area Agency on Aging - District II, Inc. were disclosed during the audit.
4. No significant deficiencies in internal controls over compliance with requirements applicable to major federal award programs are reported in the "Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133."
5. The auditor's report on compliance for the major federal award programs for Capital Area Agency on Aging - District II, Inc. expresses an unmodified opinion.
6. Audit findings relative to the major federal award programs for Capital Area Agency on Aging - District II, Inc. are reported in Part C of this Schedule.
7. A management letter was not issued.
8. The programs tested as a major program are as follows:  
  
U. S. Department of Health and Human Services  
Special Programs for the Aging:  
Title III-B – Supportive Services; CFDA# 93.044  
Title III-C – Nutrition Services; CFDA# 93.045  
N.S.I.P. – Nutrition Services Incentive Program; CFDA# 93.053
9. The threshold for distinguishing Types A and B programs was \$300,000.
10. Capital Area Agency on Aging - District II, Inc. was determined to be a low-risk auditee.



**B: FINDINGS - FINANCIAL STATEMENTS AUDIT**

There were no findings that are required to be reported in this section of the report.

**C: FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD  
PROGRAM AUDIT**

There are no findings that are required to be reported in this section of the report.

